

APPENDIX

Social and Economic Equity

Prepared by PolicyLink

This Appendix includes additional information about the analyses that inform the section of the Briefing Book on Social and Economic Equity. It includes four components:

- 1) A description of the methods and sources for the empirical research that was undertaken for this project.
- 2) A brief background essay and listing of resources for additional information about regional equity and smart growth.
- 3) Five case studies of the potential impact of the alternative growth scenarios on impoverished communities.
- 4) A summary table that provides the numbers of households and jobs that would be in place by 2020 in each of these five communities, according to each of the three Alternatives and the Base Case.

1) A DESCRIPTION OF THE METHODS AND SOURCES FOR THE EMPIRICAL RESEARCH THAT WAS UNDERTAKEN FOR THIS PROJECT

Neighborhoods in Their Regional Context

The research undertaken to examine the equity impacts of the Smart Growth Footprint was based on three equally important facts of community and regional development:

- Patterns of regional growth, change, investment and disinvestment are seen and understood most immediately and directly at the neighborhood level.
- The consequences for social and economic equity of major changes in population, employment, and commercial and industrial growth will not be shaped or experienced only in neighborhoods, but must be understood at municipal, county, and cross-jurisdictional levels.

- Unlike many metropolitan regions, the lower income populations of the Bay Area are not concentrated in one or two cities, but instead are found in concentrated numbers in at least fifty communities in dozens of jurisdictions in all nine counties.

The Project's approach to the interplay of neighborhood and regional equity issues has been for PolicyLink to conduct case studies of five diverse low-income communities, so that a wide range of different economic, demographic, housing, transportation and land use conditions can be examined. Beyond that, the research was intended to place the case study findings in the broader context of regional growth and change. The broader findings were summarized in the main text of the Briefing Book and are not repeated here.

The Case Study Communities

Communities were selected for this analysis from among the profiles in "A Guide to the Bay Area's Most Impoverished Neighborhoods – By County," which was compiled in February 1997 by the Bay Area Partnership, a project of the Northern California Council for the Community. This compendium has been used for a number of regional policy and action projects of the Bay Area Alliance for Sustainable Development, including the Community Capital Investment Initiative, an effort to draw new investment funds into low-income neighborhoods. All the neighborhoods in this compendium had high rates of poverty and significant housing affordability problems according to the 1990 census.

Five communities were selected representing a broad range of circumstances that are directly relevant to the factors that could be affected by the Smart Growth alternatives. The areas vary in their access to transit and the relative proximity and accessibility of employment. They are in five different counties and the farthest are almost 80 miles apart. They vary in the type and density of their housing stock, and whether they are generally urban, suburban or semi-rural in location and character. Given the complex, heterogeneous nature of Bay Area communities, these distinctions are not absolute, but they do represent sufficient variety to reflect the diversity of current conditions and future prospects. The five communities in the study are described briefly below.

Bayview Hunters Point is located in the Southeast corner of San Francisco. This community includes the former Naval Shipyard, a Pacific Gas & Electric substation, as well as a mix of industrial and residential uses. The community is comprised of 64% rental housing. The study area, with a population of 9,891, was 69 percent African American in 2000, with rapidly growing numbers of Asian-Pacific Islander and Hispanic families. The area is relatively poorly served by mass transit. Although it is relatively far from downtown San Francisco, it is near large numbers of industrial jobs.

Central East Oakland, in Alameda County, is a set of residential neighborhoods and business/industrial areas surrounding the Oakland Coliseum and BART station, including the airport. Housing includes public housing developments as well as single-family houses and small apartment buildings. About 55 percent of the housing units are rental units. As of 2000, 48 percent of the 13,000 residents were African American and 40 percent were Hispanic, a

proportion that had tripled since 1990. The study area is only a small portion of the larger district generally known as Central East Oakland.

East San Jose, located in Santa Clara County, is comprised of several predominantly residential neighborhoods east of downtown San Jose. Homes tend to be densely clustered, single-family structures situated on small lots, and 44 percent are rental units. Significant overcrowding is occurring in these neighborhoods. Unlike several of the other communities, there is no large industrial zone, but there is significant potential for transit-oriented commercial and mixed-use development. The population of 67,684 is 57 percent Hispanic and 34 percent Asian-American, mostly Vietnamese.

North Richmond, located in Contra Costa County, is an unincorporated community immediately north of the City of Richmond. The majority of the land, 74 percent, is designated for industrial purposes. Residential areas are comprised mostly of single-family homes, where 63 percent of the housing units are rental units. The population of 4,076 is divided between African Americans and Hispanics.

Boyes Hot Springs is located in Sonoma County just north of the City of Sonoma. This community has rural, low-density residential and commercial uses located along Highway 12. About 40 percent of the housing units are rental units. Of the 9,227 residents, 41 percent are Hispanic, a substantial increase since 1990. Lower income residents work primarily in the surrounding agriculture and tourist industries.

The Components of the Research

The objective for the case study research was to project from the local conditions and the experiences of local leaders the most critical impacts of the alternative growth scenarios. Since the smart growth alternatives are focused primarily on the changes in employment and households and the land uses that are related to those changes, the cases also focus principally on those issues. Thus while the most critical issues of social equity overall in these communities may be such things as public safety, K-12 education or health, for example, these cases are not intended to directly address those issues. These are quickly drawn sketches of key urban development conditions, issues and impacts rather than intensive, long-term definitive profiles of these neighborhoods. More detailed and wide-ranging analyses would surely surface additional issues and more precise measures of impacts.

The case study reports are presented in a common format that draws upon the following common elements of data collection and analysis. For further information about the data and research methods, please contact Victor Rubin at PolicyLink, 101 Broadway, Oakland CA 94607, victor@policylink.org.

- a) The outcomes from the three alternatives and the base case were isolated for the five case study communities. The summary table included at the end of this Appendix shows the changes from the year 2000 for the base case and each alternative in net new households

and net new employment projected to be in place by 2020, for each of the five neighborhoods. The absolute and proportional rates of change from the year 2000 were calculated and are included in this table. Maps of each community showing the specific land use and density changes proposed in each alternative, specific at the level of planning areas, were created from the ABAG master map of the alternatives.

- b) The results of the jobs/housing match analysis and the housing affordability study undertaken by Bay Area Economics for the overall Alternatives were reanalyzed to provide results for the sub-regional areas in which the five case study communities are located. This provides information about the proportions of jobs at various incomes that would be expected to be produced in each commuting area. This is based on a projected continuation of the proportions of employment distributed among the Standard Industrial Classification (SIC) categories of the sectors of the economy for these areas. The jobs-by-income-levels are compared with the number of affordable housing units that were proposed through the workshop process to be created in those same areas. These are the basis for the comparison of the alternatives for a deficit or surplus of affordable housing. The SIC categories for each area also provide a rough indication of the proportions of jobs with different skill levels, assuming current industry trends were to continue. A more detailed description of the methodology is provided by Bay Area Economics in the Appendix to the housing analysis.
- c) Data available from the 2000 Census were analyzed for each case study community, providing a profile of basic demographic and housing facts in 2000 and comparisons with 1990. It should be noted that such analyses are currently limited, since most of the 2000 Census data that will be the basis for detailed tract-level research on income, housing costs, length of time in same residence, journey to work, and many other factors relevant to neighborhood change and regional equity has not yet been made available. A special sample of Census data on neighborhoods from across the Bay Area was also drawn in order to conduct an exploratory multivariate analysis of the determinants of gentrification and residential displacement. Although this last piece is not specific to the case study neighborhoods, it does document the widely observed trends toward displacement of lower income renters, particularly African-Americans, which took place in a number of communities in the region between 1990 and 2000 and thus provides indicators of the types of communities that would be at risk in the future.
- d) Data from Metroscan on the improvements-to-land value ratios for commercial and residential properties in the case study communities were compiled and analyzed, and field trips were made to the areas to view various properties in light of these ratios. These data convey a rough sense of the economic feasibility and likelihood of various types of development in an area: when I/L ratios in a district are especially and consistently low, there are likely to be more properties that could or would be purchased and/or developed in the near future.
- e) A retail gap analysis was performed for the trade areas in and immediately around the case study communities. Total sales in the area (from Dun and Bradstreet data) were

compared to the estimated total retail expenditures by the local population for all retail, and then separately for groceries and apparel. This purchasing power was calculated by multiplying the number of consumer units the IRS identifies in the trade area by the inflation-adjusted median income for residents in 1990, and applying a ratio, used by Michael Porter among other researchers, that retail expenditures generally comprise 47% of household disposable income. The gaps between purchasing power and current sales were translated into the potential for new stores in these categories.

- f) An analysis was done of the degree of match between the education levels of current residents and the mix of skills that will be required by the employment projected for the case study communities. The “place types” proposed in the Smart Growth Footprint alternatives for each community correspond to examples of particular current neighborhoods in the Bay Area. These examples were analyzed to yield their current employment profiles in terms of a six part scale of skill requirements, ranging from short-term on-the-job training to graduate degree or bachelors plus work experience. Those employment profiles for sample place types were then applied to the commercial, industrial and mixed land uses recommended in the alternatives for the case study communities. These were then compared to Census data on the educational levels of residents. The result is a rough but nonetheless useful indicator of how close or how far the proposed types of development are from the capacities of the current populations to attain those positions. For example, if a neighborhood is slated for the kind of development that, based on current patterns, would be skewed heavily toward jobs with high educational requirements, yet the residents have below average levels of schooling, then the mismatch will be relatively large.
- g) Interviews were conducted with more than a dozen community residents and local planners and redevelopment staff with detailed understanding of these five communities. The interviews covered a wide range of background and contextual information about the areas, as well as the respondents’ sense of what the current critical problems were in planning, land use, transportation, economic development and related areas. They were introduced to the three proposed Smart Growth Footprint alternatives for these communities and asked to provide their sense of how well the alternatives might address the current issues, as well as how closely they followed or diverged from existing community planning and redevelopment efforts. Time and resources did not permit a wide enough number of interviews to consider these to be definitive assessments of resident or governmental perspectives, but they were valuable indicators of key issues.

Contributors to the Research

PolicyLink was responsible for the production of the social and economic equity analysis and preparation of materials for the briefing book and this Appendix. PolicyLink is a national nonprofit research, communications, capacity building, and advocacy organization, based in Oakland, dedicated to advancing policies to achieve economic and social equity based on the wisdom, voice, and experience of local constituencies. Victor Rubin, Director of Research and

Raymond Colmenar, Senior Associate, were the principal staff on the project. Bay Area Economics analyst Paul Peninger and his colleagues provided the community-specific data for the jobs-housing match and housing affordability analyses. Independent consultant Gail Feldman contributed substantially to the editing of this Appendix. PolicyLink was assisted immeasurably in data collection and analysis by the graduate Research Workshop in Metropolitan/Regional Planning in the Department of City and Regional Planning, University of California, Berkeley, directed by Professor Karen Chapple. Participants in the workshop included Forest Atkinson, Karoleen Feng, Kate Gordon, Robert Hickey, Avni Jamdar, Deepak Lamba-Nieves, Eric Nakajima, Mohammed Pohan, Manuel Suarez-Lastra, Ryan Waterman, and Grace Woo.

2) SMART GROWTH AND EQUITY: BACKGROUND RESOURCES

The focus on social and economic equity in the assessment of smart growth alternatives for the Bay Area is linked conceptually to a widening nationwide effort to promote “regional equity. ” PolicyLink has been part of this effort, as are a number of other organizations, networks, coalitions and individual policymakers, researchers, and community-based practitioners. Although each of these parties has their own perspective, what follows is our attempt to concisely summarize the core issues in the linkage of equity concerns with endeavors to promote regional smart growth. That is followed by a list of resources through which readers can explore various perspectives.

Development patterns in the United States over the last six decades have been characterized by the continuous spread of businesses and housing beyond the boundaries of central cities and inner ring suburbs into the fringes of metropolitan areas. This has led to the emergence of ever-enlarging metropolitan regions as the relevant geographic units of social and economic transactions. Facilitating regional access to resources and opportunities, therefore, requires a regional social, physical and economic infrastructure.

This growth, which is often referred to as suburban sprawl, has contributed to the declining quality of life for a growing number of residents of metropolitan regions. In many places, commute times have increased, air quality has deteriorated, open space and agricultural land has disappeared, and older communities have been disinvested. Importantly, sprawl has had profound negative consequences for low-income people and communities of color by isolating them from job opportunities, quality housing, good schools and public services that are spread throughout the region.

In response, many communities have initiated smart growth efforts to address the many challenges arising from sprawl. Smart growth is intended to bring together the objectives of advancing social equity, protecting and improving the environment, and moving toward a fair, prosperous economy, the so-called ‘Three E’s’ – at the regional and community levels. However, the majority of smart growth initiatives that have been undertaken across the country have focused more on environmental and economic concerns rather than on social equity issues of fairness in the distribution of costs and benefits, accessibility to jobs, housing, and services, equal opportunity, and community voice in decision-making. Moreover, efforts to curb sprawl do not automatically lead to promoting greater social equity, unless equity goals are explicit and intentional strategies are included. In fact, smart growth efforts could lead to harm for low-income populations if strategies end up creating economic pressures that can lead to displacement of vulnerable populations. Debates over growth management measures and gentrification trends have recently focused on these types of concerns.

When effectively implemented, smart growth includes a strong emphasis on all three Es, since many of the factors that encourage residents to live away from cities are the same issues that plague low-income communities – bad schools, lack of public and commercial services, and concerns about public safety.

A growing number of national organizations are researching these connections or advancing equitable smart growth strategies. Further information about the following organizations can be found on their World Wide Web sites:

PolicyLink

(Advancing a new generation of policies to achieve economic and social equity)

<http://www.policylink.org/region/index.html>

Smart Growth America

(A national coalition of diverse groups focused on smart growth policies.)

<http://www.smartgrowthamerica.com/>

Metropolitan Area Research Corporation

(Provides mapping and analysis of regional fiscal and economic inequities and strategies to address them, for regions across the country.)

<http://www.metroresearch.org/>

Funders' Network for Smart Growth and Livable Communities

(A network of philanthropic foundations focused on these issues.)

<http://www.fundersnetwork.org/>

National Neighborhood Coalition

(Provides case studies of neighborhood development and affordable housing that advance smart growth.)

<http://www.neighborhoodcoalition.org/>

Institute on Race and Poverty, University of Minnesota

(Research on the ways in which metropolitan development patterns reflect America's racial and class dynamics.)

<http://www1.umn.edu/irp/>

Brookings Institution Center on Urban and Metropolitan Policy

(Research on smart growth, metropolitan sprawl and investment patterns, growth management, and related policy-relevant topics.)

<http://www.brook.edu/dybdocroot/es/urban/urban.htm>

Good Jobs First

(Exploring the relationship between sprawl, smart growth and the concerns of organized labor and working families.)

<http://www.ctj.org/itep/gjfpubs.htm>

3) FIVE COMMUNITY CASE STUDIES: IMPLICATIONS OF SMART GROWTH ALTERNATIVES FOR SOCIAL EQUITY

For each description of a case study community, the following sections are presented:

- Community Profile: Place and People
- Community Needs
- Alternative Growth Scenarios
- Implications of the Growth Alternatives
- Creating Opportunities Through Growth

Bayview Hunters Point

Community Profile: Place and People

The Bayview Hunters Point community is located in southeastern San Francisco and includes the former Naval Shipyard. The northern part of the Bayview community (near the US 101 and I-280 freeway intersection) and the eastern part (mainly within Hunters Point) are almost completely industrial. The southern part is mainly composed of single-family low-density residential structures. There are some small commercial uses along 3rd street, one of the community's main thoroughfares.

The population of 9,891 is primarily low-income with an average median income at \$14,898 . ¹ Historically, the community has been African-American, constituting 69% of the population. Over the past decade, the community has experienced demographic changes with significant growth in the population of White, Asian and Pacific Islanders, and Hispanic populations. The growth rates for these populations are higher in Bayview than in other parts of the city.

¹ 1990 Census

Table 1. 1

	San Francisco County			Bayview Hunters Pt.		
	1990	2000	Pct. Change	1990	2000	Pct. Change
Total Population	723,959	776,733	7. 3%	8,555	9,891	15. 6%
Whites	338,917	349,322	3. 1%	365	497	36. 2%
Blacks	76,944	60,597	-21. 2%	6,746	6,851	1. 6%
Asian-Pacific Islanders	207,457	249,204	20. 1%	958	1,505	57. 1%
Hispanics	96,640	112,869	16. 8%	472	956	102. 5%
Others	4,001	4,741	18. 5%	14	40	186. 4%
Median Household Income	\$35,401	N. A.		\$14,898	N. A.	
Housing Units	328,471	346,527	5. 5%	2,995	3,118	4. 1%
Occupancy	305,584	329,700	7. 9%	2,743	3,052	11. 3%
Vacancy	22,887	16,827	-26. 5%	252	66	-73. 8%
Owner	105,514	115,391	9. 4%	729	820	12. 5%
Renter	200,070	214,309	7. 1%	2,014	2,232	10. 8%

Source: U. S. Bureau of the Census, STF1, 1990, 2000

Community Needs:

Interviews conducted with neighborhood leaders and local planning officials identified a number of issues and community needs related to maintaining the stability of existing residents and promoting community revitalization. We summarize them briefly below, augmented by other data about employment, housing, land uses and services.

Neighborhood commercial businesses

There are limited local serving businesses such as grocery stores and banks in Bayview Hunters Point, forcing residents to travel as far as the Mission District, Sloat Avenue, and Daly City, and resulting in a gap in retail services availability. Residents could financially support a considerable amount of new retail in the community, because retail expenditures "leak" from Bayview Hunters Point every year. (The local retail businesses capture \$119 million of retail expenditures, compared to an estimated \$274 million of retail spending by the surrounding trade area.) The low level of local expenditure compared to total purchasing by residents supports the contention that new commercial development in Bayview Hunters Point is feasible. Bayview Hunters Point's retail gap could be filled by a variety of businesses, specifically new supermarkets and apparel stores, given their success in other inner city markets.

The 3rd Street Corridor has been identified as a location for this type of development but this conflicts with the city's effort to preserve a zone for industrial uses. Although the

Redevelopment Agency recognizes that there should be accessible commercial development along 3rd Street, they want to preserve most of these lands for industrial use.

Jobs that match skills of residents and job training to raise those skills

Bayview Hunters Point has historically experienced unemployment rates double those of the city of San Francisco. The area suffers from a mismatch between jobs in the community and skill levels of the residents. Sixty-five percent of the community's residents have no college degree. The majority of jobs requiring less than a college education are found in the retail, services, utilities, transportation and warehousing sectors. Although there are exceptions, especially in cases of unionization and tight labor markets, these industry sectors generate jobs that mostly produce lower than average wages.

There are many industrial jobs in Bayview Hunters Point, but many of these are not going to residents. This is the case both because residents do not have the necessary skill level for good industrial jobs and because they have not established strong connections with the industrial unions. Currently there are at least seventy job-training programs in the area and there are efforts underway to better coordinate childcare, education, training, and employment opportunities. Most of the Bayview Hunters Point residents commute to work in service industries and lower-paid white-collar jobs in San Francisco, Daly City, and Colma.

Commuting from the area is difficult as there are limited transit options. Many residents, despite their low incomes, need to have cars to get to their jobs. Bayview Hunters Point has a bus route that runs along the 3rd Street corridor. This bus takes up to one hour to get downtown. Light rail is under construction along 3rd Street and will be available by 2005. This will improve downtown trip time to about 15 minutes to downtown.

Affordable Housing

In recent years, Bayview residents have observed increased demand for housing as people are squeezed out of other areas of San Francisco. The majority of the 3,118 housing units are rental (64%) housing. Over the last 10 years the net number of housing units only grew by 100. The need for very low income rental housing is necessary to maintain the stability of existing residents. There is a growing demand for senior housing because aging residents want to remain in the community.

Cleaner Industrial Uses

Concerns about health risks and environmental justice have been raised in the community. Many heavy industrial polluters are located in the area. Industrial development could be accommodated if the sites are on smaller lots and integrated with office, services, and commercial uses. If mixed-use development is to occur, there would need to be cleaner uses of the industrial sites to avoid use conflicts.

Analysis of sites for development potential determined that 460 lots, approximately 27% of the industrial lots in the community, have improvements on the land that are worth less than the land itself. These indicate sites with good economic potential for redevelopment, though of course the success of specific plans would be contingent on many factors.

Alternative Growth Scenarios: Bayview Hunters Point in 2020

The proposed growth alternatives for Bayview Hunters Point can be generally characterized as substantial increases in households and more modest growth in employment. This would most likely mean that existing commercial and industrial areas would need to be developed for mixed uses that include multi-family type housing. The specific growth rates for households and jobs are found in Table A of the appendix.

Alternative 1 – Central Cities – proposes the greatest number of new households in Bayview adding almost 8,000 new households, about a 260% increase. The number of jobs projected would be about 32,000 or about a 23% increase. The plan would create mixed use along 3rd Street and increased residential elsewhere.

Alternative 2 – Network of Neighborhoods – proposes about half as much residential growth as Alternative 1 – almost 4,000 new households, about a 129% increase. Jobs would increase by about 11%. Development would require high-density housing pockets in the middle of Bayview Hunters Point. The 3rd Street corridor could feature a single transit center or a series of transit stops.

Alternative 3 – Smarter Suburbs – proposes the lowest number of new households in Bayview adding almost 2,000 new households, about a 60% increase. The number of jobs projected would be about 25,000 a 5% decrease from current levels. This features high residential densities throughout Bayview Hunters Point, which would make 3rd Street mostly commercial and not mixed use.

Implications of the Growth Alternatives for Bayview Hunters Point

Community interviews regarding the three alternatives elicited a number of comments regarding the growth strategies. The changes proposed for the 3rd Street corridor, which include mixed use or commercial development, instead of patches of industrial development, were looked on favorably by the interviewees. The designation of residential growth in industrial areas around India Basin was seen by city planners as unrealistic. Alternative 2 was seen as having density that was too high in the context of the existing single family residential neighborhoods, and the development was not close enough to transit. Lower densities along the 3rd Street or other light rail corridor seemed to be more appealing. Key social equity implications include the following:

The Match between New Jobs and Skills of the Bayview Hunters Point Workforce

Although the job growth occurring within Bayview Hunters Point would not change significantly under the alternatives, the San Francisco study area will experience job growth at the highest levels under Alternatives 1 and 2 and the lowest level under Alternative 3. Alternatives 1 and 2 therefore provide good opportunities for underemployed community residents to have access to

employment near their area of residence. Given the relative low level of skills characterizing the community's labor force, however, it is important to invest in education and training to ensure the residents' genuine access to new opportunities.

The Match between New Jobs and Housing Affordability in Bayview Hunters Point

An examination of results for the jobs/housing match study area in which Bayview Hunters Point is located indicates that Alternative 2, the Network of Neighborhoods approach, exhibits the smallest gap in housing affordability for the very low and low-income workforce. Alternative 2 projects no affordability gap for households that are "very low" income (50% or below average median income (AMI)). However for the "low income" population (51-80% of AMI), Bayview Hunters Point has a slight affordability gap, but still an improvement over the other scenarios or current conditions. Alternative 2 goes further to meet the housing needs of the lower income workforce than do the other alternatives or the Current Trends Base Case.

Housing Unit Surplus/(Gap)				
Alternative 2				
Housing Affordability Level	VL	L	M	AM
San Francisco Study Area	6,141	(4,743)	10,111	(7,080)

Displacement and Change in Bayview Hunters Point

Bayview Hunters Point is a community with characteristics that place it at risk of gentrification and displacement. Bayview Hunters Point experiences:

- A high rate of renters households at 69% of total households;
- Relative ease of access to job centers including freeways 101 & 280 and future light rail service to San Francisco;
- High and increasing levels of metropolitan congestion, making a location close to a central city business district more desirable;
- Comparatively low housing values and many single family homes in a high density city.

Although there are no data in our analysis that allow a specific projection of a level of gentrification for the area, it is a concern that should be accounted for in the assessment of the alternatives.

Creating Opportunities through Growth

The Bayview Hunters Point Community is at a crossroads in planning for the future growth of the community. The opportunity to link new development with community improvements is key in accepting one of the Alternative Growth strategies. Some of the considerations for Bayview Hunters Point include:

1. Efficient public transit that can link the workforce to other sources of employment in the area, including Colma and Daly City as well as cross town locations in San Francisco. If more people and businesses are located in the community, the expansion of transit services would be justified based on revenue generation and utilization.
2. Affordable housing at all levels to meet the anticipated new workforce moving to the community, including substantial rental housing to replace single family rental homes that are reverting to home owner occupancy.
3. Development of retail and commercial services in Bayview Hunters Point which would open more local job opportunities for the workforce as well as aiding in community revitalization through new investment and generation of local tax revenue.
4. Job training and development linking the workforce with appropriate jobs. The growth in jobs within the area could provide many more opportunities for the local workforce, which has lower skill attainment than in other parts of the city.
5. Changes in zoning to encourage new types of industries to locate in the community that do not generate pollution and can coexist with residential and commercial uses.

Boyes Hot Springs

Community Profile: Place and People

Boyes Hot Springs is a community north of the City of Sonoma in Sonoma County. Boyes Hot Springs is located along Highway 12, which is a main highway running through the eastern portion of Sonoma County. The area along Highway 12 includes nearly all the commercial uses in Boyes Hot Springs, which are composed mostly of small manufacturing, industrial and retail businesses. The largest commercial business in this community is the Sonoma Mission Inn and Resort. The Inn physically dominates the town, rising to a height of four stories and standing on a full ten acres of land in central Boyes Hot Springs. The residential area is primarily very small single-family homes built in the 1940s and 50s on small lots. The outskirts are primarily composed of agricultural land.

The area is currently undeserved by transit, and higher density may be necessary to attract a bus line down Highway 12. There is limited bus service in the community, with no night service. Huge traffic problems occur along Highway 12, particularly on weekends, due to tourism and pass through to other parts of Sonoma County.

The population of 9,227 has grown by 32% since 1990. By and large this is a low-income area, although there are some pockets of higher-income residents in the hillier parts of town. The median income in the community is \$30,896.¹ The most notable change in population has

¹ US Census 1990

occurred within the Hispanic population, which has more than doubled from 1990 to 42% percent in 2000. Comparatively, the white population has remained at about the same level over the past ten years. The influx of immigrant families has increased the need for affordable housing. Multiple families are observed to occupy a number of single-family residences.

Table 2. 1

Sonoma County			Boyes Hot Springs			
	1990	2000	Pct. Change	1990	2000	Pct. Change
Total Population	388,222	458,614	18. 1%	6,942	9,227	32. 9%
Whites	328,610	351,094	6. 8%	5,312	5,169	-2. 7%
Blacks	5,156	6,284	21. 9%	19	43	126. 6%
Asian-Pacific Islanders	10,530	15,016	42. 6%	161	104	-35. 7%
Hispanics	39,537	81,700	106. 6%	1,350	3,849	185. 1%
Others	4,389	4,519	3. 0%	100	60	-39. 5%
Median Household Income	\$35,887	N. A.		\$30,869	N. A.	
Housing Units	161,062	183,153	13. 7%	3,143	3,217	2. 4%
Occupancy	149,011	172,403	15. 7%	2,874	3,063	6. 6%
Vacancy	12,051	10,750	-10. 8%	269	154	-42. 8%
Owner	93,763	110,475	17. 8%	1,547	1,778	14. 9%
Renter	55,248	61,928	12. 1%	1,327	1,285	-3. 2%

Source: U. S. Bureau of the Census, STF1, 1990, 2000.

Community Needs

Boyes Hot Springs was initially a small rural community, primarily for summer residents. As such it lacked the services and infrastructure needed to sustain the larger population that now lives and works there year round. The community leaders and planners interviewed identified a number of key issues and community needs that would help revitalize the community.

Affordable Housing

Living in Boyes Hot Springs has become more difficult for low-income workers, especially those in agriculture, due to a lack of rental units and increasing property values and rents. Consequently there has been overcrowding and even homelessness. There are 3,217 housing units, of which 40% are rental units. Housing stock grew over the last decade by only 2. 4%, or 74 units, while the population increased by 2,285 persons. There is neighborhood resistance to higher density housing because of parking and traffic problems. The county has successfully built some multi-family housing near the Highway, outside the single family residential area.

Although there is extensive land area that could be used for development, there is a county moratorium on annexing new land to the current sewer district. There is also a great shortage of

water in the entire area surrounding the City of Sonoma. This will make new housing development very difficult to achieve, at least until new water resources are identified.

Walkability

The community supports more pedestrian-friendly infrastructure development, particularly the addition of sidewalks and curbs to allow safe routes to schools. Traffic problems along Highway 12 make driving in the community difficult. Although residents of rural areas do tend to commute longer distances to buy retail goods, impoverished households are at a disadvantage due to lack of transportation to reach shopping centers in the City of Sonoma. There are a number of very viable small businesses, mainly restaurant-related, in operation along Highway 12 but few provide options for shopping. This has resulted in residential retail expenditures “leaking” outside of the immediate area. This leakage is seen more in grocery sales. Additions of new mini-marts and retail apparel space are estimated to be economically viable and at this small scale would be beneficial for both addressing local equity and environmental interests in promoting a walkable community.

Linkages to higher paying jobs

Many of the residents currently work in the wine industry, either in the vineyards or in related agricultural sectors. Residents also work in the following sectors: Health Services, Education, Social Services and Government, Manufacturing; Retail; and Utilities, Transportation and Warehousing. (There have been significant declines in the manufacturing and warehousing industry in this area). Sonoma County plans on creating additional resort and recreation-related jobs. These jobs generally require less skill but also are lower wage. Linkages to other employment areas will require either employer-supported or public transportation.

Alternative Growth Scenarios: Boyes Hot Springs in 2020

The proposed growth alternatives do not significantly change the number of households in Boyes Hot Springs. Two of the options actually propose no growth at all.

Alternative 1 – Central Cities proposes no specific changes beyond the current pattern of development. This alternative is projected to have small declines in jobs and households for the neighborhood.

Alternative 2 – Network of Neighborhoods – channels new mixed housing and commercial development along the main transit corridor, Highway 12. Just over 200 new housing units or 8% growth is projected under this alternative. However job growth is expected to occur at a rate of 113% or 800 new jobs.

Alternative 3 – Smarter Suburbs – proposes creating a low-density town center resulting in a large increase of job growth at 129%, while not proposing growth in housing.

Implications of Growth Alternatives for Boyes Hot Springs

The Match between New Jobs and Skills of Existing Workforce

The industries that would generate the largest amount of job growth are retail, services and manufacturing. These tend to be industries that produce jobs at all skill levels. The majority of the jobs in the area (59%) require a low level of skill and this is projected to shift slightly toward more highly skilled and educated workers. More than half of the residential workforce in Boyes Hot Springs has low educational attainment. Alternative 1 does not project enough jobs to result in a significant imbalance or surplus of low skilled jobs. Alternatives 2 and 3 propose much more job growth at all skill levels, creating potential opportunities improving employment prospects of low-income residents.

Match between New Job Growth and Affordable Housing

The jobs/housing match study area where Boyes Hot Springs is located indicates that Alternative 2, the Network of Neighborhoods approach, results in the smallest gap in housing affordability for the very low and low-income workforce. Alternative 2 envisions over 1,400 new households and 672 jobs coming into the Sonoma Valley area. A significant portion of the job growth corresponds with mixed-use development identified along Highway 12, however significantly little housing (only 220 units) is planned for Boyes Hot Springs. In Alternative 3, the area would actually see a loss of housing and the creation of 1,000 jobs along the highway.

Boyes Hot Springs 2020 Alternative 2	Housing Units Surplus/(Gap)			
Housing Affordability Level	Very Low	Low	Moderate	Above Moderate
Sonoma Valley Study Area	377	281	441	(93)

The addition of 1,000 new jobs in the area could have seriously deleterious impacts on Boyes Hot Springs if an adequate supply of affordable housing is not also developed. Boyes Hot Springs is already showing signs of residential overcrowding. While Alternative 2 does indicate a surplus of affordable housing development in the Sonoma Valley, just over 200 units are projected for Boyes Hot Springs. This would indicate that a fair amount of commercial development would occur but that most of the housing for this workforce would be outside the community. This would likely increase traffic volume and lessen opportunities for a walkable community. The community would need to assess the maximum amount of housing it could accommodate without changing the character of the community.

Displacement and Change

Boyes Hot Springs has not exhibited residential displacement, in part because families have tended to double and triple-up in existing single-family homes. This type of overcrowding can be seen as a precursor to displacement – as it indicates that the lack of available affordable housing. However, the large percentage of homeowners (60 %) in Boyes Hot Springs suggests a level of community stability. The greatest pressures are likely to come as a result of the relatively low housing values in Boyes Hot Springs compared to the rest of the Sonoma area. This could put more single family home rentals at risk of being sold to homeowners from outside

the community. In the past ten years, the growth rate in homeownership has increased while the rate for rentals has decreased.

Boyes Hot Springs will likely experience further growth in the numbers and proportion of its Hispanic population. This is not due to white households leaving, so much as due to the type of job growth that is occurring in Sonoma, particularly in agriculture and low paying hospitality services.

Creating Opportunities through Growth

The Boyes Hot Springs community is in need of affordable housing for agricultural workers and a mix of accessible jobs for all skill levels. At the same time, the area is hampered by its overtaxed infrastructure, especially in terms of water and sewage, and the traffic and parking problems created on Highway 12, which runs directly through the center of town. Furthermore, Boyes Hot Springs residents are very much opposed to rapid new growth. There is a tension between the businesses and the voters on the type of growth that they will allow. For example, the Sonoma Mission Inn management is interested in expanding the Inn and creating a golf course, while the newer Latino voters are beginning to argue in favor of affordable housing and local-serving business along the highway. Bringing more low paying jobs in the hospitality industry will create more overcrowding in the community unless a sufficient supply of affordable rental housing is added for the new workforce.

Alternative 2 provides much needed housing, whereas other alternatives do not. Alternative 2 focuses development – both commercial and residential – around Highway 12, at low densities appropriate to the surrounding area. Locating development primarily on the highway would not have a huge impact on traffic in the residential areas, and perhaps enough density could ultimately be generated to justify an adequate bus route along the highway to various job centers. Mixed-used development would also allow for job creation within the community, which could potentially reduce commute trips for some residents. At the same time, the housing built along this high-traffic corridor could presumably be affordable as it is in a redevelopment area.

Rural county residents are increasingly concerned with the encroachment of development into agricultural lands. This has created a difficult challenge of addressing housing needs for low-income farm workers in areas where more housing is not wanted. Small rural communities such as Boyes Hot Springs would benefit by a more centralized population that could provide enough capacity to support retail markets and better transit services.

Central East Oakland

Community Profile: Place and People

The Central East Oakland community is located east of downtown Oakland and to the north of the Oakland Airport, bounded by Interstates 580 to the east and 880 to the west. The case study

area for this project is a smaller area, on both sides of International Boulevard, within the district commonly known as Central East Oakland. There are a number of large industrial properties with residential sites scattered throughout the area. Approximately 50% of the total land is used for medium-density residential purposes. The commercial areas are located primarily in belts along the major arterial roads including East 14th Street/International Boulevard, Foothill Boulevard, and Hegenberger Road.

The community has a population of 12,889 and is primarily low income with a median income of \$17,352². The population is primarily African American (48%) and Hispanic (40%). Over the past decade, there has been a decline in the African American population as well as all other ethnic groups, with Blacks decreasing by almost 2,000 individuals (23%). There has been a rapid rise in the Hispanic population, paralleling demographic changes in Alameda County as a whole. If current trends continue, Hispanics will soon be the majority group in the community.

Table 3. 1

Alameda County				Central East Oakland		
	1990	2000	Pct. Change	1990	2000	Pct. Change
Total Population	1,279,182	1,443,741	12. 9%	11,587	12,889	11. 2%
Whites	683,294	615,169	-10. 0%	422	349	-17. 3%
Blacks	224,457	219,723	-2. 1%	8,025	6,186	-22. 9%
Asian-Pacific Islanders	186,498	313,395	68. 0%	1,128	1,087	-3. 7%
Hispanics	176,017	285,066	62. 0%	1,909	5,212	173. 0%
Others	8,916	10,389	16. 5%	103	33	-68. 2%
Median Household Income	\$35,974	N. A.		\$16,316	N. A.	
Housing Units	504,109	540,183	7. 2%	4,006	3,840	-4. 1%
Occupancy	479,518	523,366	9. 1%	3,684	3,671	-0. 4%
Vacancy	24,591	16,817	-31. 6%	322	169	-47. 5%
Owner	255,459	286,277	12. 1%	1,551	1,566	1. 0%
Renter	224,059	237,089	5. 8%	2,133	2,105	-1. 3%

Source: U. S. Bureau of the Census, STF1, 1990, 2000.

Community Needs

Interviews with community leaders and planners identified a number of community needs that if addressed would correct serious deficiencies and lead to community revitalization. Concerns in the community were blight, noise from the Oakland airport, lack of commercial services, lack of public services such as transportation and sanitation, concentrations of low-income and drug

² US Census 1990

rehab/transitional housing, and environmental justice issues in residential areas close to industrial uses.

Affordable Housing

There are 3,840 housing units in the community of which 55% are rental units. Over the past decade, there has been a loss of about 150 housing units, a 4% decrease. However there are apparently many illegal in-law units in single-family homes, which may not be included in the data. Home costs and rents are increasing, and this has led to overcrowding. This results in a larger number of cars parked on the street and an increase in trash. The planners noted that although all the transit corridors in this area have been designated for increased density, actual attempts to increase density might meet opposition from residents of currently low-density neighborhoods. For example, there has already been community protest over recently constructed low-income housing located on International and Havenscourt Boulevard.

Community Services

The area is experiencing blight from lack of street cleaning and sanitation. Environmental conditions and contaminated soil left over from previous industrial uses now pose barriers to the development of parks and open space.

Retail Services

The Central East Oakland study area lacks grocery stores, banks and other many retail services. Existing liquor stores are where residents acquire basic supplies. Many of the storefronts are not currently used for retail purposes. People tend to shop outside of the community and outside of the city in San Leandro and Emeryville; almost half of the potential retail purchases by residents are made outside the community. The adjacent Fruitvale neighborhood, whose commercial hub is about two miles from the case study area, is the nearest substantial shopping district. That area has many small businesses, perhaps half of which are owned by Oakland residents; new immigrants own 90% of the businesses. The income of Central East Oakland residents could financially support a considerable amount of new retail in the community. A new Albertson's grocery store in Fruitvale is the company's highest grossing store in Oakland, indicating strong purchasing power in this broader East Oakland flatlands corridor.

Transportation

There is a need for improved bus service at night and to certain locations. The community has several AC Transit bus routes, including the International Boulevard route, which has one of the highest riderships in the system. However, other routes are more limited and it is difficult to reach some industrial work sites, especially at off-peak hours. BART stops at the Coliseum and Fruitvale stations, providing service into downtown Oakland and other job-rich destinations in the central Bay Area.

Alternative Growth Scenarios: Central East Oakland in 2020

The three growth alternatives in the Smart Growth Strategy/Regional Livability Footprint Project can be characterized as intensifying housing development while providing job growth that varies from moderate to extremely high.

Alternative 1- Central Cities - would create low-density mixed use around the Coliseum and increase housing and employment densities moderately to the north of the Coliseum. The result would be an increase of 1,800 housing units, a 51% increase. The amount of employment would decrease slightly from current levels, by about 8%.

Alternative 2 - Network of Neighborhoods - significantly increases the densities and the mixing of uses along all the major transportation corridors and around the Coliseum. It results in an additional 4,200 housing units, a 114% growth rate. Under the same plan, jobs would only increase by 2% or 400 new jobs.

Alternative 3 – Smarter Suburbs - proposes a major high-density employment center around the Coliseum and along Hegenberger Road from the freeway to the airport. Housing growth increases by 28% just over 1000 units under this scenario. Job growth however expands by 44%, adding almost 10,000 net new jobs.

Implications of Alternative Growth Options for Central East Oakland

The community response to the specific alternative scenarios primarily focused on concern about potential impacts resulting from Alternative 3. The concern related to potential displacement due to large job growth in the area adjacent to residential neighborhoods, as well as any nuisances such as noise and pollution generated by economic development

Alternatives 1 and 2 were the most consistent with current city policies regarding density, economic development, and small increases of housing in existing residential areas. The high densities proposed in Alternative 1 are planned for the transit village envisioned around the BART station. Alternative 3 appears unrealistic to these local sources due to the high employment density and a 15% increase in households. The proposed 15% additional housing throughout Central East Oakland would require building multi-family housing in areas where mostly small single-family homes exist, adding numerous second units to those homes, or designating other land (such as industrial) for housing.

Match between Job Growth and Skills of Existing Workforce

The workforce in Central East Oakland has a low average level of educational attainment compared to the region as a whole. Between 66-74% have attained a high school diploma or less. Jobs requiring a workforce with fewer educational requirements do exist in Oakland; approximately half of the existing jobs only require on-the job training. These jobs tend to be in

warehousing, manufacturing and retail.

Neither Alternative 1 nor 2 propose significant changes to the industrial mix in Central East Oakland. This may be beneficial to local residents who may be qualified or who already work in these industries. The industry sectors in Oakland with the highest amounts of employment as well as growth have been the Utility/Transportation/Warehousing sector, which has grown to 46%, and business services, which constitutes 14% of all employment. Manufacturing employment has declined and is now only 11% of the total number of jobs.

Alternative 3, which proposes a high-density employment center, such as office buildings, would likely be a regionally-drawing job center and would be relatively less likely to provide high levels of employment to the local labor market unless many local residents are provided training and education for those jobs. This alternative appears to add a much higher percentage of high skill jobs than are currently there, though it must be noted that the employment mix of a district such as that surrounding the airport can only be projected in general terms based only on land use plans. The detailed choices that will define the future workforce will come with the particular projects to be built and employers to be retained and attracted.

In order to achieve the goals of increasing economic opportunities for residents of low-income communities, it is important from a policy standpoint to maintain a good balance between new jobs created and the skills of the local labor force. This means targeted workforce education and training as well as choosing some economic development strategies that are geared towards community revitalization.

Match Between Job Growth and Affordable Housing

In the analysis of the “Northern East Bayshore” jobs/housing area, in which Central East Oakland is located, only Alternative 2 provides a match between jobs and number of affordable housing units. Interestingly, Alternative 1 provides a large surplus of very low-income housing but not a sufficient number of housing units in any other category. Alternative 3 had a small surplus of very low-income housing but was short in all other categories of affordability. This lack of affordable housing is likely to create pressure on the housing market in Central East Oakland, especially given the job growth projected under Alternative 3.

Housing Unit Surplus/(Gap) 2020				
Alternative 2				
Housing Affordability Level	Very Low	Low	Moderate	Above Mod.
Northern East Bay Shore	15,026	3,299	3,655	(5,985)

Displacement and Change

Although wholesale gentrification is not occurring in Central East Oakland, some displacement is occurring particularly as single family home renters are being evicted by owner-occupation of these homes. Many of the new homeowners are first time homebuyers; and may be of the same general income level and background as the renters. However the growth rate in homeownership has increased only by 1% over the past ten years, indicating that this had not yet become a significant problem by 2000.

Central East Oakland is a community that meets the criteria for gentrification that has been observed in other communities. The factors that can indicate potential gentrification include:

- A high rate of renters households at 55% of total households;
- Ease of access to job centers including freeways 880 & 580 and BART service to many areas;
- High and increasing levels of metropolitan congestion making a location close to a central city business district (Oakland) more desirable;
- Comparatively low housing values and much single family homes in a high density city.

Other forms of demographic changes have occurred in Central East Oakland as noted in the previous background section. These may not indicate gentrification as much as significant population shifts, multiple family living arrangements, and perhaps employment opportunities in other areas.

Creating Opportunities through Growth

The Central East Oakland community is targeted to receive substantial amounts of growth under the three alternative scenarios. Planning for smart growth in Central East Oakland means linking growth and development to improving conditions in the community and achieving more of a balance between social equity needs of the community and development for the region.

The envisioned growth would require public improvements such as traffic improvements along existing corridors that provide more pedestrian-friendly mobility. As housing density increases, the need for open space becomes greater, particularly as people begin living in multi-family units without backyards for children to play in. This will require development of parks and recreational facilities, and may result in the removal of pollution and toxins from former industrial sites to allow opportunities for these public uses. Growth in households can generate local tax dollars for investment in schools and other services.

Housing development may need to be placed in areas that are not currently zoned for housing in order to accommodate growth and to build enough housing to include a sufficient affordable housing component into each project. Housing needs should not be ignored in this community, as overcrowding already exists. New housing will need to accommodate renter households, as well as homeownership opportunities for low-income residents.

The opportunities for economic growth could benefit the neighborhood if new investment is channeled into existing neighborhoods and neighborhood-serving businesses wherever that is feasible and consistent with neighborhood plans. And although the Hegenberger Road area is in some respects very suburban in its landscape and character, any new business parks and commercial areas should be as accessible via transit as possible.

Brownfields to be redeveloped, as well as other underutilized properties, could provide areas for new enterprises. The majority of this land is designated as commercial and industrial properties while approximately 18% are designated as residential. This can provide opportunities for new development and revitalization of blighted or sometimes underutilized parcels. ³

East San Jose

Community Profile: Place and People

East San Jose is a residential community located several miles southeast of downtown San Jose. The study area is bounded by Capitol Expressway and Mabury Road. There are several commercial zones and two major industrial districts within the larger East San Jose area. The amount of industrial land is shrinking, however, as part of the industrial area is being converted to residential use. 79% of the land is in residential use and homes tend to be densely clustered, single-family structures situated on small lots.

The total population of East San Jose is 67,684. The median household income of \$33,293 reflects an influx of higher-income residents in a community that remains generally low-income. The majority (57%) of the population is Hispanic. Substantial numbers of Asian Americans (34%), particularly Vietnamese, live in the community as well. There are small numbers of Whites (6%) and Blacks (3%). This racial and ethnic mix is the result of considerable growth in the Hispanic and Asian populations over the past ten years.

Table 4. 1

	Santa Clara County			East San Jose		
	1990	2000	Pct. Change	1990	2000	Pct. Change
Total Population	1,497,577	1,682,585	12. 4%	58,434	67,684	15. 8%
Whites	873,984	766,994	-12. 2%	7,697	3,745	-51. 3%
Blacks	52,884	45,832	-13. 3%	2,960	1,723	-41. 8%
Asian-Pacific Islanders	254,523	444,988	74. 8%	15,922	22,799	43. 2%
Hispanics	307,113	415,711	35. 4%	31,587	38,794	22. 8%
Others	9,073	9,060	-0. 1%	268	312	16. 5%

³ For example, 30 acres of a large 60-acre abandoned industrial site near Railroad and 85th Avenues was bought in 1997 to build a business park for nonpolluting light manufacturing industries.

Median Household Income	\$ 40,295	N. A.		\$ 33,293	N. A.	
Housing Units	540,240	579,329	7. 2%	13,918	17,019	22. 3%
Occupancy	520,180	565,863	8. 8%	13,526	16,838	24. 5%
Vacancy	20,060	13,466	-32. 9%	392	181	-53. 8%
Owner	307,324	338,661	10. 2%	7,019	9,279	32. 2%
Renter	212,856	227,202	6. 7%	6,507	7,559	16. 2%

Source: U. S. Bureau of the Census, STF1, 1990, 2000.

Community Needs

East San Jose has not seen the type of disinvestment that has occurred in many other lower income communities. This is most likely due to the large immigrant population that can support retail services and operate their own businesses. However, gentrification concerns and overcrowding have created problems in East San Jose. The following sections highlight the community needs identified by community leaders and planners.

Affordable Housing

There are 17,000 housing units in East San Jose of which 44% are rental units. Although the number of housing units increased 22% in the past decade, the percentage of rental units decreased. Limited housing supply and high rents has resulted in overcrowding of residential units in the older, predominantly Hispanic neighborhoods. It is not uncommon for families to live with relatives, and for multiple households to inhabit single-family units.

The overcrowding problem can be partly attributed to an influx of professionals to East San Jose in the past decade. Gentrification is occurring near, and to a lesser extent inside East San Jose. Most significantly, highly educated computer professionals have settled in formerly low-income neighborhoods west of Highway 101. There has also been an in-migration of middle-income professionals around the area and within the community itself at the new Evergreen development.

Transportation

The bus system only runs on major streets and routes are difficult to reach from some residential areas. Because of the type of sprawl development that has occurred in San Jose, bus trips take a long time to reach certain areas. People in the community tend to buy cars as soon as they can afford them, which adds to overcrowded street parking, congestion and blight. The proposal for BART however is not seen by all as a positive transportation mode mainly due to concerns that it will increase the rate of gentrification.

Appropriate Investment

Attracting investment into East San Jose has not been a significant problem. The community has a surplus of retail stores in part due to development along corridors that attract customers from outside of the community. Although the community is served by several grocery chains, there is a gap in grocery availability based on the level of expenditure that leak out to other parts of San Jose for grocery purchases. The community is also without banks.

The community's concern regarding investment and development has to do with the choices that have been and will be made. Jobs that pay a living wage, more affordable housing, and viable small, locally owned business, are the results sought by the community from economic development strategies.

The workforce in East San Jose is overwhelmingly dependent upon employment in low and semi-skilled occupations. 72% of the workforce lacks education beyond high school. Many male residents are employed in industrial jobs, working as day laborers or in construction. Women tend to work in service jobs, both locally and further away (e. g. , Palo Alto, Menlo Park). These jobs, however, occupy a declining percentage of total employment.

Alternative Growth Scenarios: East San Jose in 2020

The three growth alternatives would have moderate impact on growth of housing and jobs in East San Jose.

Alternative 1 – Central Cities – proposes increasing residential densities throughout the community. The projected 10% growth in households would be just over 1550 new units. Job growth of 5% would result in just over 400 new jobs.

Alternative 2 – Network of Neighborhoods – would channel new housing development into major commercial corridors, in combination with new commercial and/or office development. The result would be movement toward medium density mixed use along each street. This option projects the largest amount of housing growth at 18%, or over 2650 new units. Job growth of 14% would result in over 1,200 new jobs.

Alternative 3 – Smarter Suburbs – would increase residential densities 5% to add 700 new housing units. Job growth would be very minimal at 1%.

Implications of Alternative Growth Scenarios in East San Jose in 2020

Alternative 1 projects light industrial development, which could provide appropriately skilled jobs for many East San Jose residents. The plan to disperse high-density housing throughout the community could change the character of single-family residential neighborhoods.

Alternative 2 appears to address the housing needs and overcrowding that has occurred in the community, but it may plan for densities that are still too low. The economic development mix should provide higher wage employment for residents. The proposed commercial development appears to favor either low paid retail jobs or higher level white collar jobs that exceed the skills of residents.

Alternative 3 increases housing densities in certain areas but results in a moderate rate of growth in new housing, a rate that is lower than that which occurred between 1990 and 2000.

Match between Jobs and Skills of Workforce

None of the three alternatives would necessarily significantly reduce the jobs-skills gap for the workforce in East San Jose. Alternative 2 may have advantages over Alternatives 1 and 3 in this respect. Although all three alternatives project marginal gains in employment opportunities, Alternative 2 stands out by projecting the largest increases across all skill categories.

Match between New Jobs and Affordable Housing

The analysis conducted of jobs housing match for the Silicon Valley area, which includes East San Jose, indicates that Alternative 3 produces the best mix of affordable housing with the smallest gap in affordability for the very low and low-income workforce. While this alternative does not plan as much affordable housing directly in the community, adding sufficient affordable housing into communities and neighborhoods in and around East San Jose would likely decrease the overcrowding that is occurring there. The alternative also results in significant development of above-moderate income housing throughout the broader area, which could alleviate gentrification in lower income communities.

Housing Unit Surplus/(Gap) 2020				
Alternative 3				
Housing Affordability Level	Very Low	Low	Moderate	Above Mod.
Silicon Valley	15,953	6,677	9,561	21,728

Displacement and Gentrification:

East San Jose is a community that exhibits signs of the gentrification that has been observed in other communities. The factors indicating potential gentrification include:

- A high rate of renters households at 44% of total households;
- A shift from rental tenure to homeownership 16% to 32%;
- Ease of access to job centers in Silicon Valley;
- Comparatively low housing values and single family homes in a high density city (\$300,000 compared to \$500-700,000).

Given the amenities present along certain commercial corridors, it is possible that growing interest in this area will develop from wealthier prospective tenants and owners. This is all the more likely if the higher-educated technology professionals who have recently arrived,

particularly those west of Highway 101, succeed in luring higher-end retail to the area, a trend which has already started.

Creating Opportunities through Growth

The East San Jose community is located in the Silicon Valley, an area that could receive up to 30% of the entire Bay region's job growth by 2020. The already unprecedented job growth in the area has led to overcrowding and high housing costs, only somewhat eased by the recent recession. Opportunities exist to address community needs and avoid problems that have occurred due to a lack of planning.

Housing development may need to take place in areas that are not currently zoned for housing in order to accommodate growth and to include a sufficient affordable component into each project. Housing cannot be ignored in this community as an overcrowding problem already exists. This new housing will need to accommodate renter households as well as opportunities for homeownership.

Incentives for investment in existing neighborhoods should be designed to encourage neighborhood-serving businesses to locate within East San Jose. Transportation systems need to link East San Jose to areas throughout the Silicon Valley region. Improvements that shorten travel time such as express buses are perhaps the most effective. In the absence of adequate transit, the high cost of car ownership for lower income families can put home ownership, savings for education, and other types of asset accumulation farther out of reach.

North Richmond

Community Profile: Place and People

The North Richmond community is located in an area that has been isolated from the bulk of the City of Richmond. The area is industrial, with 74.7% of the total land area engaged in industrial uses. The low density single family home residential area is adjacent to a refinery and chemical plant, bounded by Richmond Parkway on the west, Wildcat Creek on the North and railroad tracks to the east and south.

There is a total population of 4,076, comprising very low-income households with a median income of \$ 9,641. The community in North Richmond has been predominantly African-American since the 1940s, but has become more ethnically diverse recently. In the past ten years, the only demographic group that has experienced substantial growth in North Richmond has been the Hispanic population, which grew from about 400 to 1700 (347%).

Table 5. 1

	Contra Costa County			North Richmond		
	1990	2000	Pct. Change	1990	2000	Pct. Change
Total Population	803,732	948,816	18. 1%	3,478	4,076	17. 2%
Whites	560,852	568,994	1. 5%	127	90	-29. 4%
African-Americans	72,886	89,947	23. 4%	2,437	1,981	-18. 7%
Asian-Pacific Islanders	73,909	109,611	48. 3%	487	183	-62. 3%
Hispanics	90,266	173,757	92. 5%	402	1,797	347. 1%
Others	5,819	6,508	11. 8%	25	21	-14. 4%
Median Household Income	\$ 46,411	N. A.		\$ 9,641	N. A.	
Housing Units	316,170	354,577	12. 1%	1,260	1,129	-10. 4%
Occupancy	300,288	344,129	14. 6%	1,107	1,038	-6. 2%
Vacancy	15,882	10,448	-34. 2%	153	91	-40. 5%
Owner	202,893	238,449	17. 5%	346	324	-6. 4%
Renter	97,395	105,680	8. 5%	761	714	-6. 2%

Source: U. S. Bureau of the Census, STF1, 1990, 2000.

Community Needs

North Richmond was historically a segregated community, developed during the 1940s as housing for African Americans who worked at the local shipyards. There has been little public investment there until recently. Continued struggle with blight and crime in the area has prevented private investment other than industrial development from coming to the area. Interviews conducted with neighborhood leaders and local planning officials identified a number of issues and community needs related to residential stability and community revitalization.

Affordable Housing and Homeownership

The majority (63%) of the 1,129 housing units in North Richmond are rental housing. The community has many vacant lots and unmaintained properties, due to absentee landowners. There has been a 10 % decrease in the actual number of housing units over the last decade. A common goal heard in North Richmond is that homeownership by existing residents should increase to a level above 50%. Residents want housing to be developed for working people, with consideration of the housing needs for the “underclass” or those on public aid who cannot afford higher cost housing. Community acceptance of higher density housing will depend on the type of people living in the housing - they must contribute to the community.

A recent housing subdivision, the Parkway Estates, is a low and moderate-income single-family home development of 87 units that has begun to change the appearance of the community. It has been an acceptable project to the community leadership because it maintains the single family home character and provides an opportunity for more mixed income. However, only about 5% of the existing households in North Richmond were qualified to purchase one of these homes. This indicates that projects such as these should include rental units so that more current local residents could also live in new developments.

Neighborhood serving retail businesses

North Richmond experiences a gap in retail service availability. There are only a few corner stores in the community and residents must travel to Downtown Richmond or San Pablo for basic items such as groceries, a 10-15 minute bus ride. There is a strong community interest in having local grocery stores, barber shops, clothing stores, drugstores and a gas station. The retail gap analysis estimates that the community could financially support one additional mid-sized grocery store. Local retail businesses capture only a small portion of residents' total retail purchases. It is estimated that several million dollars in resident retail expenditures "leak" from North Richmond to other shopping areas every year.

Recent efforts to solicit a grocery store to a 2400 square foot retail space did not result in locating a tenant despite the availability of an incentive grant for building improvements. The key factors that retail grocers will consider are incomes, homeownership rates and population size.

Community safety and cleanliness

The community experiences problems with the maintenance of properties and vacant lots by absentee landowners. Several have become trash dumps because the county did not require mandatory garbage service for all households. The community is also on the route to the sanitary landfill and this has resulted in illegal dumping in the area.

Job Training and Linkages

North Richmond is characterized by a significant jobs-skills imbalance for many regional jobs. The North Richmond workforce has low skill and educational attainment; over 65% of the workforce has high school education or less. The workforce needs education and training as well as linkages with companies and businesses that have appropriate types of jobs. Employment with local companies is low because these industries are reluctant to hire North Richmond residents due to lower level skills and real or perceived drug use and criminal records.

The lack of public transit access has been a major barrier for gaining access to jobs in other parts of the region. North Richmond residents are served by one AC Transit bus route that runs to the BART station near downtown Richmond shopping areas. Night service is limited along this route. There is also new service on Golden Gate Transit to San Rafael in Marin County where a number of warehousing and retail jobs have become available for North Richmond residents. Direct transit to Central Contra Costa County is not available.

Alternative Scenarios: North Richmond in 2020

The smart growth alternatives swing to both extremes of the growth spectrum, creating either a huge change in North Richmond or resulting in a growth rate that would be barely perceptible even to the community.

Alternative 1 - Central Cities – proposes the greatest number of new households in North Richmond by adding 6,500 new households, a 600% increase by 2020. The number of jobs projected would be almost 9,000, an increase of over 770% over existing jobs. This alternative growth strategy proposes increased residential density by developing medium density residential housing, and medium density mixed use structures. It also proposes a low density development for the town center.

Alternative 2 - Network of Neighborhoods – provides minimal growth, with less than 50 new housing units, a 4% growth rate. There would also be only slightly over 11% growth in jobs or 100 jobs created .

Alternative 3 – Smarter Suburbs – This suggests no specific changes over 2000 levels. No growth in the net number of jobs or households would occur in North Richmond under this strategy.

The Implications of Growth Alternatives for North Richmond

Alternative 1 would result in what would essentially become a new town. It would require a significant level of infrastructure development, particularly roads, that would have to accompany high density development. Alternative 2 projects much smaller, 5-10% increases in job growth, which reflects current industrial growth patterns. Alternative 3, which does not project job growth or housing growth, did not reflect the current growth of the local industrial sector there and lacks a plan for new affordable housing in the community.

Match between Jobs and Skills of Existing Workforce

Alternative 1, projecting almost 9,000 new jobs and 6,500 new households, provides the greatest opportunity for community revitalization. This scenario could have strong positive effects to local poverty and unemployment if strategies were put in place to enable local residents to acquire the nearby jobs being created. Alternatives 2 and 3 envision little growth in North Richmond over the next twenty years, and therefore employment strategies will require more of a focus on connecting residents to jobs throughout the region.

Match between Jobs and Housing Affordability

The analysis conducted of the jobs/housing match for the area that includes North Richmond indicates that Alternatives 1 and 2 produce the best mix of affordable housing with the smallest gap in affordability for the very low and low-income workforce. North Richmond is covered by two different jobs/housing study areas, resulting in slightly different findings regarding the supply of housing, however the Alternative 2 growth strategy is favorable for both estimations.

Due to the placement of development types during the workshop and the distillation process, Alternative 1 results in enormous growth in North Richmond, which would essentially create a new community. Alternative 2 results in very little new housing development in North Richmond. The projection would be approximately 50 new housing units over the next twenty years. This would limit the amount of affordable housing that would be built to approximately 18 units, which would not likely meet the existing need.

Alternative 2 and 3 essentially project little to no change in the North Richmond community. This indicates little opportunity to create a mixed-income community through new housing development. The result of not building new affordable housing has already been observed in North Richmond; existing housing values and rental prices have increased leaving existing residents unable to afford to purchase homes.

Displacement and Change

North Richmond is experiencing a large shift in its ethnic make up. Many Hispanic families have moved there over the last decade due to relatively low cost housing availability. However, the shift is not appearing to be a significant sign of gentrification as income levels and levels of homeownership have not increased. North Richmond is likely to experience a slower form of displacement than other impoverished communities due to its distance and relative isolation from a central downtown business district and lack of community retail services.

Creating Opportunities through Growth

North Richmond is in great need of community and economic revitalization. Simple amenities such as a grocery store have not been available and public transit service has been inadequate. The three alternative growth strategies propose to either significantly alter the community through intense development or to leave it relatively untouched. The alternatives highlight some of the tradeoffs and policy choices that the community will face in dealing with growth and change.

While Alternative 2 with its modest rates of increase appears to be the scenario that could be most readily implemented, it must be evaluated for the low levels of housing development projected. Without a higher level of housing growth, there would not be enough new consumer demand to generate opportunities for more retail services and expanded public transit.

In addition, it is not clear whether the increase in jobs under this alternative will benefit the community, due to the persistent job/skill mismatch. There remains an imbalance between job requirements and residents' levels of preparation and job-readiness, and the possibility remains that an increase in jobs will also bring pressure to the rental-dominated housing market of North Richmond.

The Alternative 1 plan for redeveloping the northern part of North Richmond into a large mixed-use zone might be challenged by those who see a more viable industrial future for that zone. The

mixed use strategy may be overlooking the potential of the area to be turned into a hub for industrial distribution, utilizing the abundant supply of warehouses and proximity to the Richmond Parkway. This might be a more fruitful method of generating sorely needed employment opportunities that match the skill levels of residents within the community.

The high-growth scenario could be expected to highlight the community's concern about possible gentrification and displacement. Continued development of very low and low affordable rental housing would prevent displacement of existing residents and provide opportunities for existing residents to move into newer housing stock that is being built in their community. Whatever the level of new investment will be, community leaders indicate that local acceptance of development plans will be dependent on the involvement of the residents in the planning and decision-making processes.